



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, DC 20429

Office of Legislative Affairs

OFFICE OF THE CHAIRMAN
CORRESPONDENCE ASSIGNMENT

OC19-0250

ASSIGNED TO: DCP-P; LEGAL

DATE: 12/30/2019

CORRESPONDENT:

DONNA J. BROWN
14741 GOVERNOR ODEN BOWIE DRIVE
UPPER MARLBORO MD 20772

CLERK OF THE COUNCIL BROWN, P.G. COUNTY GOVERNMENT
(MARYLAND), FORWARDS COMMUNITY REINVESTMENT ACT RESOLUTION
ENACTED/ADOPTED BY THE COUNTY COUNCIL.

THE ATTACHED CORRESPONDENCE HAS BEEN ASSIGNED TO **DCP-P;**
LEGAL FOR ATTENTION AS APPROPRIATE.

IF YOU HAVE ANY QUESTIONS RELATING TO THIS ASSIGNMENT, PLEASE
CONTACT THE CORRESPONDENCE UNIT OF THE OFFICE OF LEGISLATIVE
AFFAIRS AT 898-7055.

CREATED BY: Sally Wood



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of the Clerk of the Council
(301) 952-3600

DEC 13 2019

MEMORANDUM

TO: The Honorable Angela Alsobrooks, County Executive
 Senator Chris Van Hollen, Maryland
 Senator Benjamin Cardin, Maryland
 Representative Steny Hoyer, 5th District of Maryland Representative
 Representative Anthony Brown, 4th District of Maryland Representative
 Jelena McWilliams, Chairman, Federal Deposit Insurance Corporation
 Joseph M. Otting, Office of the Comptroller
 Jerome H. Powell, Chair of the Federal Reserve Chairman
 Rhonda Weaver, County Attorney

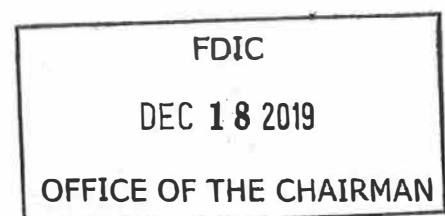
FROM: Donna J. [REDACTED]
 Clerk of the Council

RE: Transmittal of Enacted/Adopted Council Bill or Council Resolution

Enclosed for your information is a copy of CR-97-2019 as enacted/adopted by the County Council.

If you have any questions, please feel free to contact my office at 301-952-3600.

Enclosure



COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2019 Legislative Session

Resolution No. CR-97-2019

Proposed by Council Member Turner

Introduced by Council Member Turner, Streeter, Anderson-Walker, Franklin, Glaros,
Dernoga, Ivey, Taveras & Harrison

Date of Introduction November 12, 2019

RESOLUTION

1 A RESOLUTION concerning

2 The Community Reinvestment Act

3 For the purpose of expressing the County Council's support for the Community Reinvestment
4 Act, which encourages lending and investment in low-and moderate-income communities.

5 WHEREAS, the Community Reinvestment Act (the "CRA") was enacted in 1977, to end
6 the practice of "redlining" by financial institutions, a technique used by financial institutions to
7 cut off low-and moderate-income communities and any communities with large minority
8 populations, from financial services. Residents of "redlined" communities could not access
9 credit services, such as mortgages and business loans, regardless of their qualifications or
10 creditworthiness; and

11 WHEREAS, the CRA establishes a regulatory regime for monitoring the level of lending,
12 investments, and services in low-and moderate-income communities traditionally underserved by
13 lending institutions, and examiners from the federal Office of the Comptroller of the Currency,
14 the Federal Deposit Insurance Corporation, and the Federal Reserve Board assess and "grade"
15 the activities of lending institutions in low-and moderate-income communities; and

16 WHEREAS, agency examiners' findings that a financial institution is not serving these
17 communities may result in the delay or denial of such institution's request to merge with another
18 lender, to open a branch, or expand any of its services, or conditionally approve a merger
19 application subject to an institution meeting specified improvements in lending or investment
20 services in low-and moderate-income communities, and its CRA grade may be downgraded if
21 evidence of illegal, abusive, or discriminatory lending on their fair lending exams is found; and

22 WHEREAS, since 1996, according to the National Community Reinvestment Coalition,

1 CRA-covered banks issued more than 25 million small business loans in low-and moderate-
2 income tracts, totaling more than \$1 trillion, and \$980 billion in community development loans
3 that support affordable housing and economic development projects; and

4 WHEREAS, the CRA has provided tremendous benefits to low-and moderate-income
5 communities by the annual dollar amount of community development loans increasing 443
6 percent from \$17.7 billion in 1996 to \$96 billion in 2016; and

7 WHEREAS, studies have found that CRA-covered home lending is safer and sounder than
8 non-CRA covered lending, and that when a larger share of lending is issued by CRA-covered
9 banks rather than independent mortgage companies, a neighborhood experiences lower
10 delinquency rates and less risky lending; and

11 WHEREAS, despite the tremendous benefits of the CRA to communities, the full potential
12 of CRA has not been realized because it has not been updated to reflect modern changes in the
13 banking industry and the economy, and independent mortgage companies not covered by CRA
14 now make more than 50 percent of the home mortgage loans in the United States and financial
15 technology companies operating via the internet and not covered by CRA are rapidly increasing
16 their lending; and

17 WHEREAS, some ideas have been put forth that will substantially weaken the CRA, rather
18 than modernize it, geographic assessment areas must remain the focus of CRA exams for all
19 banks; banks should continue to be graded on every geography where they lend or receive a
20 significant percentage of their deposits; banks cannot be allowed to cherry-pick where they lend
21 – and where they don't lend at all or to ignore the credit needs of distressed and vulnerable
22 communities; and

23 WHEREAS, a modernized CRA should expressly provide that covered financial
24 institutions are obligated to fairly serve all races and ethnicities, and banks that engage in large-
25 scale illegal and harmful activities should fail their CRA exams.

26 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's
27 County, Maryland, that the County Council supports those efforts aimed at modernizing the
28 CRA, but not relax or undermine the law's goal and intent.

29 BE IT FURTHER RESOLVED that the County Council opposes regulators efforts to raise
30 bank thresholds and exempt more banks, such as intermediate small banks and mid-sized banks,
31 from examination of their community development lending and investments.

1 BE IT FURTHER RESOLVED that the County Council supports modernizing the CRA to
2 apply it to non-bank institutions, including mortgage companies, financial technology
3 companies, and credit unions.

4 BE IT FURTHER RESOLVED that the County Council opposes regulators' efforts to
5 water down the penalties under the CRA for discrimination.


6 BE IT FURTHER RESOLVED that the County Council supports a CRA with a clearly-
7 defined grading system that emphasizes lending, bank branches, fair lending performance, and
8 responsible loan products for working class families.

9 BE IT FURTHER RESOLVED that the County Council supports efforts to hold a bank
10 accountable if it fails its CRA exam or wishes to acquire a bank with a better CRA grade, and
11 urges agencies to recognize and encourage community benefit agreements and efforts that
12 motivate banks to make more loans, investments, and services available to traditionally
13 underserved communities.


14 BE IT FURTHER RESOLVED that a copy of this Resolution be sent by the Clerk of the
15 Council to the Office of the Chairman of the Federal Deposit Insurance Corporation Jelena
16 McWilliams; to the Office of the Comptroller of the Currency Joseph M. Otting; to the Office of
17 the Federal Reserve Chairman Jerome H. Powell; and to all members of the U.S. Congress
18 representing Prince George's County.

Adopted this 12th day of November, 2019.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: 
Todd M. Turner
Chair

ATTEST:


Donna J. Brown
Acting Clerk of the Council



Prince George's County Council

Agenda Item Summary

Meeting Date: 11/12/2019

Effective Date:

Reference No.: CR-097-2019

Chapter Number:

Draft No.: 1

Public Hearing Date:

Proposer(s): Turner

Sponsor(s): Turner, Streeter, Anderson-Walker, Franklin, Glaros, Dernoga, Ivey, Taveras and Hawkins

Item Title: A RESOLUTION CONCERNING THE COMMUNITY REINVESTMENT ACT for the purpose of expressing the County Council's support for the Community Reinvestment Act, which encourages lending and investment in low-and moderate-income communities.

Drafter: Colette Gresham, Legislative Officer

Resource Personnel: Tomeka C. Bumbry, Chief of Staff/Legislative Aide, District 4

LEGISLATIVE HISTORY:

Date:	Acting Body:	Action:	Sent To:
11/12/2019	County Council	introduced	
	Action Text: This Resolution was introduced		
11/12/2019	County Council	rules suspended	
	Action Text: A motion was made by Vice Chair Streeter, seconded by Council Member Glaros, that this Resolution be rules suspended. The motion carried by the following vote: Aye: 9 Turner, Anderson-Walker, Dernoga, Franklin, Glaros, Hawkins, Ivey, Streeter and Taveras Absent: 2 Davis and Harrison		
11/12/2019	County Council	adopted	
	Action Text: A motion was made by Vice Chair Streeter, seconded by Council Member Anderson-Walker, that this Resolution be adopted. The motion carried by the following vote: Aye: 9 Turner, Anderson-Walker, Dernoga, Franklin, Glaros, Hawkins, Ivey, Streeter and Taveras Absent: 2 Davis and Harrison		

AFFECTED CODE SECTIONS:

BACKGROUND INFORMATION/FISCAL IMPACT:

The Community Reinvestment Act ("CRA") was enacted in 1977, to end the practice of "redlining" by financial institutions, a technique used by financial institutions to cut off low-and moderate-income communities and any communities with large minority populations, from financial services. Residents of "redlined" communities could not access credit services, such as mortgages and business loans, regardless of their qualifications or creditworthiness. The CRA established a regulatory regime for monitoring the level of lending, investments, and services in communities traditionally underserved by lending institutions. Examiners from the federal Office of the Comptroller of the Currency ("OCC"), the Federal Deposit Insurance Corporation, and the Federal Reserve Board assess and "grade" the activities of lending institutions in these traditionally underserved communities. The OCC last year released an Advance Notice of Proposed Rulemaking ("ANPR") floating a number of ideas about how to modernize the CRA regulations and examination procedures. Many of the changes proposed by the OCC could undermine local lending and investing by the nation's banks under the CRA. The proposed legislation expresses the Council's support of those efforts aimed at modernizing the CRA, but not relaxing or undermining the law's goal and intent and opposes regulators' efforts to water down the penalties under the CRA for discrimination.

Document(s): R2019097, CR-097-2019 AIS